

POLICY NO. 3
JOINT CAPITAL OUTLAY SUBCOMMITTEE
REQUIREMENTS FOR A USE AND FINANCING STATEMENT FOR STATE
SUPPORTED UNIVERSITIES AND COMMUNITY COLLEGES

All non-State funded projects costing in excess of the limitations stated in the annual Capital Outlay Appropriations Act must be approved by the Joint Capital Outlay Subcommittee. A use statement or prospectus describing the project must be submitted so that the subcommittee has a complete understanding of what is being proposed prior to an informational hearing. For the purposes of this policy, individual projects costing less than these established limitations, but are collectively designed to satisfy a single objective costing in excess of these limitations, require a use and finance statement approval as outlined in this policy and further defined in policy no. 2.

USE STATEMENT

The use statement should contain a brief description of the purpose, need, and justification for a non-State funded project. Specific information to be developed should include, but not be limited to, the following:

1. List the activities and functional spaces accommodated in the project with the approximate square foot area for each appropriate similar group or individual category.
2. When applicable, describe how the activities are being accommodated at the present time, and explain the proposed disposition of any existing facilities.
3. Explain the proposed extent of use by students, faculty or the community.
 - a. If partial instructional use is planned, estimate the percentage and furnish complete scheduling information.
 - b. If the project will be used by the general public, will it compete with other private or community facilities? If so, what is the anticipated effect?
4. Furnish an 8 1/2" x 11" campus map indicating the location of the project and describe its relationship to the long range development plan.
5. When available for new projects only, include an 8 1/2" x 11" copy of schematic floor and site plans.

FINANCING STATEMENT

The financing statement should include the following specific information:

1. Capital Investment Program - (describe in detail)

- a. State the gross estimated capital improvement or project costs including a breakdown of land, site development and demolition, construction cost, furnishings, equipment, fees, and any other special costs (specify).
- b. How was the land acquired? If purchased, what is the cost and the source of funds?
- c. Specify the source of funds for the capital costs; i.e., borrowed funds, institutional sources, gift, grant, federal funds, partial State appropriation, or any combination.
- d. If bonding or other debt service is incurred, state the source of the funds and the proposed retirement schedule. (Refer to 3. Student Fees)

2. Operating Financing Program - (describe in detail on an annual or fiscal year basis)

- a. Furnish a realistic itemized estimate of all gross revenues by major fund source and expenses expected to be generated and incurred on an annual basis.
- b. Include the basis for an estimate of revenues from each user activity that will be returned to the general fund to defray operating costs.
- c. Explain how you intend to dispose of funds generated by self-supporting activities in excess of expenditures for the project.
- d. Identify total cubic footage, gross square feet and specify the total volume of those portions of the project that will be used for self-supporting or revenue producing activities, compared to those portions used for institutional or instructional programs.

3. Student Fees

- a. If a student fee is assessed, what is its purpose and extent i.e., does it cover both capital and operating costs?
- b. Is it a dedicated portion of a student fee?
- c. If it is a specific student fee, estimate the amount per student, the FYES or headcount assumption and the gross fee allocation.
- d. Will the student fee be eliminated when the capital debt is retired? How long do you estimate the fee will be collected to meet bonding or other debt obligations? If the student fee is not eliminated, what will the revenue be dedicated for after debt retirement?

GENERAL INSTRUCTIONS

Major changes in a submittal and the distribution of all statements should be as follows:

1. Existing Facilities

- a. If a major change in the project use or financing method occurs in a project previously approved by the Joint Capital Outlay Subcommittee, an updated use and financing plan must subsequently be forwarded to the Joint Capital Outlay Subcommittee.

2. Distributions

- a. All members of the Joint Capital Outlay Subcommittee (direct the covering letter to the Chairman).
- b. Retain a record file copy at the college for examination by the Auditor General's staff.
- c. Circulate two copies to:
 - House Fiscal Agency
 - Senate Fiscal Agency
 - Department of Management and Budget, Office of the Budget

COMPLIANCE

All audits of the Legislative Auditor General shall include a statement as to the compliance with this policy.

Non compliance with this policy will result in a loss of any type of capital outlay funding for two years, and a prohibition of doing non-State funded projects of any kind, except for emergencies where health or safety concerns warrant, for a year.

JOINT CAPITAL OUTLAY SUBCOMMITTEE
PROJECT DATA SHEET
USE AND FINANCE STATEMENT

Date: _____

Agency/Institution: _____

Project Title: _____

New Project: Y or N (If revised, Date _____ of original Subcommittee approval)

Contact Person/Phone Number: _____

Professional Consultant(s)/Phone Number: _____

General Project Description (use as much space as needed):

Estimated Cost of:

1. The structure (general, mechanical, electrical, fixed equipment)..... \$ _____
2. Architectural/Engineering fees, surveys, site investigations, etc..... \$ _____
3. Services from five feet outside of the structure (sewers, utilities, water supply, etc.) \$ _____
4. Site improvements (roads, walks, grading, etc.) \$ _____
5. Telecommunications..... \$ _____
6. Furnishings (furniture, movable equipment, etc.; not considered a part of the structure nor requiring fixed mechanical and/or electrical services)..... \$ _____
7. Other (i.e., *asbestos abatement*)..... \$ _____
8. Design, construction, and bidding contingencies (%____)..... \$ _____
9. Total estimated project cost..... \$ _____

Total project cost per gross sq. ft. (1 thru 8 = 9 ÷ gross sq. ft.) \$ _____/gross sq. ft.

Total gross square feet _____

Total net square feet _____

Source(s) of Financing:

University/College Funds (please specify)

_____ \$ _____ % _____

State of Michigan Funds (please specify)

_____ \$ _____ % _____

Federal Funds (please specify)

_____ \$ _____ % _____

Private Funds (please specify)

_____ \$ _____ % _____

Student Fees/Tuition (please indicate if the source is new or existing)

_____ \$ _____ % _____

Other Funds (please specify)

_____ \$ _____ % _____

TOTAL

\$ _____

Estimated Annual Operating Costs:

Year 1 \$ _____

Annually thereafter \$ _____

Operating Source(s) of Financing (please specify)

Impact of project financing on tuition (construction, site development, and operations)

Furnish an 8 1/2" x 11" campus map indicating the location of the project and describe its relationship to the long range development plan.

Estimated Completion Date: Month: _____ Year: _____

NOTE: This form must be submitted to the State for all Use and Finance Statement projects pursuant to annual appropriation act requirements and the Joint Capital Outlay Subcommittee Policies No. 2, 3, and/or 4.